

Re: Your Letter to EPA (sent to my attention), Dated July 20, 2009

Jose Torres to: karonray120

08/07/2009 12:02 PM

karonray120@yahoo.com

Dear Mr. and Mrs. Arnold:

Thank you for your letter to the Environmental Protection Agency (EPA) regarding the Goliad County in-situ uranium mining operations proposed by Uranium Energy Corp (UEC). We wish to take this opportunity to offer some insight into the proposed operation's permitting process and EPA's oversight role in that process.

The Texas Commission on Environmental Quality (TCEQ) has been delegated the authority to administer the underground injection control (UIC) program in Texas, and the proposed mining operations fall within this program. Having oversight responsibilities for that delegation of authority, EPA Region 6 monitors TCEQ's UIC program's activities, including the technical evaluation of TCEQ's UIC permitting activities. EPA review of a specific permit application usually takes place whenever a proposed injection activity triggers a high level of public attention, as has been the case in this instance. However, the authority for issuing or denying a UIC permit ultimately resides with TCEQ, and EPA does not play a role in recommending approval or denial of public meetings or contested case hearings requests in connection with UIC permit applications submitted to TCEQ.

In the case of permit applications for conducting in-situ uranium mining operations, approval by EPA of a modification to the delegated UIC program is required before mining operations can be initiated. This program modification, if requested by the state agency and approved by EPA, exempts a portion of the aquifer of interest from the protection granted by the Safe Drinking Water Act (SDWA) to underground sources of drinking water (USDWs).

As of this moment, TCEQ has not provided EPA, Region 6 with a formal request for an Aquifer Exemption

(AE) in connection with the UEC application. However, in response to the numerous inquiries received from the citizens and officers of Goliad County, as well as from neighboring counties, personnel in our Ground Water/UIC Section has been closely monitoring the developments surrounding the UEC application. A preliminary technical evaluation, based on the data that have been gathered so far, is under way and will be refined as additional data become available. Our UIC team maintains contact with TCEQ's UIC team for updates regarding this application.

You have done the proper thing by addressing your concerns to TCEQ in connection with the proposed Production Area Authorization No. 1 (PAA1) for the proposed Goliad Project, since, as stated above, TCEQ retains the ultimate saying on whether the proposed mining operations are authorized or denied.

I hope that the above discussion will help solve your questions on the state permitting process and EPA's oversight responsibilities and role as it relates to this process. If you have further questions on this matter, please feel free to e-mail/call me. Thank you again for taking the time to write to us. Sincerely,

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